REMARKS

This Response is submitted in reply to the Office Action of October 4, 2005. Claims 27-29 are pending in the application. Applicant believes no fee is due at this time; however, please charge Deposit Account No. 02-1818 for any insufficiency of payment or credit any overpayment.

The Office Action rejected Claims 27-29 under 35 U.S.C. § 101 as being directed to non-statutory subject matter, lacking utility and being inoperative and therefore lacking utility. Applicant respectfully disagrees.

The Office Action states that the rejected claims "do not require any interaction with associated hardware or functional state change of associated hardware components required for statutory compliance. Where certain types of descriptive material, such as music, literature, art, photographs and mere arrangements or compilations of facts or data, are merely stored so as to be read or outputted by a computer without creating any functional interrelationship, either as part of the stored data or as part of the computing processes performed by the computer, then such descriptive material alone does not impart functionality either to the data as so structured or to the computer."

Claim 27 is directed to a recording medium having a first recording area and a second recording area. The first recording area includes recorded discrimination code information which enables the medium to be recognized as a medium adapted to a certain downloading system. The first recording area also includes download identification information for designating information to be downloaded when the recording medium is loaded in the downloading system to which the recording medium is adapted. Further, the first recording area includes one of items of serial number information set for a plurality of the recording mediums. The second recording area includes user identification information freely set by a user can be recorded.

Applicant respectfully submits that discrimination code information, download identification information serial number information and user identification information differ from music, literature, art, photographs and mere arrangements or compilations of facts or data. The identification information imparts functionality by designating information to be downloaded when the recording medium is loaded in the downloading system to which the

recording medium is adapted. The discrimination code information imparts functionality by enabling the medium to be recognized as a medium adapted to a certain downloading system. The one of items of serial number information set for a plurality of the recording mediums imparts functionality by enabling the recording medium to be recognized as one associated with that one item of serial number information (e.g., identifying a unique recording medium). The user identification information imparts functionality by enabling the recording medium to be recognized as one associated with the user identification information. Thus, the recording medium is a functional apparatus that has utility in accordance with the requirements of 35 U.S.C. § 101. Consequently the Office Action's rejection is improper.

The Office Action rejected Claims 27 and 28 under 35 U.S.C. § 102(e) as being anticipated by U.S. Patent No. 5,930,825 to Nakashima, et al. ("Nakashima"). Applicants respectfully disagree with and traverse this rejection.

Claim 27 is directed to a recording medium having a first recording area and a second recording area. The first recording area includes recorded discrimination code information which enables the medium to be recognized as a medium adapted to a certain downloading system. The first recording area also includes download identification information for designating information to be downloaded when the recording medium is loaded in the downloading system to which the recording medium is adapted. Further, the first recording area includes one of items of serial number information set for a plurality of the recording mediums. The second recording area includes user identification information freely set by a user can be recorded.

Nakashima discloses a recording medium having a medium ID information storing area in a user data area for identification of the recording medium on which software/data is recorded. Nakashima also discloses that an original medium ID information storing area, which is regarded as a defect area, is also included in the user data area for storing original medium ID information, wherein the original medium ID information is compared with the medium ID information to judge unauthorized use of the software/data.

However, Nakashima does not disclose or suggest download identification information for designating information to be downloaded when the recording medium is loaded in the

downloading system to which the recording medium is adapted as described in Claim 27. Instead, Nakashima focuses on preventing unauthorized copies of data from being usable.

For at least these reasons, it is therefore respectfully submitted that independent Claim 27 and Claims 28 and 29 that depend from Claim 27 are patentably distinguished over Nakashima and are in condition for allowance.

The Office Action rejected Claim 29 under 35 U.S.C. § 103(e) as being unpatentable over Nakashima in view of U.S. Patent No. 5,592,511 to Schoen, et al. ("Schoen"). Applicants respectfully disagree with and traverse this rejection.

Applicants believe there is insufficient motivation to combine Nakashima and Schoen. Motivation to combine cannot come from the invention itself, and to prevent such hindsight-based obviousness analysis, "rigorous application of the requirement for a showing of the teaching or motivation to combine prior art references" is required. In re Dembiczak, 175 F.3d 994, 999, 50 U.S.P.Q.2D (BNA) 1614, 1617 (Fed. Cir. 1999). The motivation may be found explicitly or implicitly in (1) the prior art references, (2) the nature of the problem to be solved, or (3) the knowledge of those of ordinary skill in the art "that certain references, or disclosures in the references, are known to be of special interest or importance in the particular field." Pro-Mold & Tool Co. v. Great Lakes Plastics, Inc., 75 F.3d 1568, 1572, 37 U.S.P.Q.2D (BNA) 1626, 1630 (Fed. Cir. 1996). See also M.P.E.P. § 2143.01. Further, a finding of motivation to combine must be based on objective evidence of record. In re Lee, 277 F.3d 1338, 1343, 61 U.S.P.Q.2D (BNA) 1430, 1433 (Fed. Cir. 2002). See also M.P.E.P. § 2143.01. Even if the references relied upon are known in the art and combination of the references would be "well within the ordinary skill of the art at the time the claimed invention was made," a rejection based on obviousness is still improper without some objective reason to combine the teachings of the references. M.P.E.P. § 2143.01.

Motivation to combine cannot come from the nature of the problem to be solved because Nakashima and Schoen solve substantially different problems. Nakashima solves the problem of preventing unauthorized copies of data from being useable. Schoen solves a different problem. Schoen solves the problem of making authorized copies of digitized media and collecting royalties for the copies. One of ordinary skill in the art attempting to solve the problem of

Nakashima would not be motivated by the nature of the problem to combine Nakashima with solutions to the problem of Schoen, and vice versa.

The Office Action states that Nakashima and Schoen are both in the field of recording data on a recording medium; however, even assuming that Nakashima and Schoen can be combined, "the mere fact that references can be combined or modified does not render the resultant combination obvious unless the prior art also suggests the desirability of the combination." In re Mills, 916 F.2d 680, 16 USPQ2d 1430 (Fed. Cir. 1990); M.P.E.P. § 2143.01. Neither Nakashima nor Schoen suggests the desirability of the combination. To the contrary, Nakashima teaches away from the combination because the objective of Nakashima is to prevent copies from being make or being useable and the objective of Schoen is to produce useable copies.

No objective evidence showing either implicit or explicit motivation to combine Nakashima and Schoen has been presented. As a result, the conclusion that "it would have been obvious to one of ordinary skill in the art at the time of the invention was made to incorporate the teachings of Schoen into the teachings of Nakashima in order to record billings data nad protect billings data from unauthorized access" is not supported by objective evidence.

For at least these reasons, Applicants respectfully submit that the combination of Nakashima and Schoen is inappropriate, and therefore, rejections based on the combination are overcome. However, even if the combination is proper, the combination does not render Claim 29 obvious.

As discussed above, Nakashima does not disclose or suggest download identification information for designating information to be downloaded when the recording medium is loaded in the downloading system to which the recording medium is adapted as described in Claim 27. Similarly, Schoen does not disclose or suggest download identification information for designating information to be downloaded when the recording medium is loaded in the downloading system to which the recording medium is adapted as described in Claim 27.

Schoen described a system for creation of user-selected customized audio products, defined as a plurality of songs from different recording artists recorded on a single compact disc or digital audio tape cassette, at record store/distributor locations utilizing a digitized, central database with production hardware at distributor sites. Customized products consist of CD ROM

or digital audio tapes with music or voice content selected from large digital database, and are written at local workstations at distribution centers (such as record stores) which are connected by a high-speed communications network. The system records costs of the digitized audio (e.g., royalties for individual songs) for billing purposes, as well as producing descriptive material (contents, background information, and graphics for labels, etc.). However, Schoen does not disclose or suggest download identification information for designating information to be downloaded when the recording medium is loaded in the downloading system to which the recording medium is adapted as described in Claim 27.

Consequently, the combination of Nakashima and Schoen does not disclose or suggest download identification information for designating information to be downloaded when the recording medium is loaded in the downloading system to which the recording medium is adapted as described in Claim 27.

Further, Claim 29 is directed to a recording medium as described in Claim 27, further including a fourth area in which information can be recorded as fee record information of fees charged with respect to various processings executed by the downloading system when the recording medium is loaded in the downloading system to which the recording medium is adapted.

Schoen describes a system that records costs (Abstract, Col. 3, Lines 8-35). However, Schoen does not describe or suggest an area of the recording medium that includes fee record information wherein the recording medium is loaded in a downloading system. Instead, Schoen describes the costs being stored in a desktop computer which is not loaded into any downloading system.

For at least these reasons, it is therefore respectfully submitted that Claim 29 that depends from Claim 27 is patentably distinguished over Nakashima in view of Schoen and is in condition for allowance.

An earnest endeavor has been made to place this application in condition for formal allowance and is courteously solicited. If the Examiner has any questions regarding this Response, Applicants respectfully request that the Examiner contact the undersigned.

Respectfully submitted,

BY _____
Thomas C. Basso (46,541)
Cust. No. 29175

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